

July 21, 2022

The Honorable Martin Glenn
United States Bankruptcy Court, Southern District of New York
One Bowling Green New York, NY 10004-1408

Re: Celsius Network LLC, et al. (the "Debtor"), Case Number 22-10964
Request that the court determine the appropriate treatment of the "Withhold" account type

Dear Judge Glenn:

The materials presented by the Debtor to the court have identified the Earn, Borrow and Custody accounts as customer account types. It appears that the Debtor has failed to disclose to the court that there is a fourth account type--the "Withhold" account.

When the Debtor began to offer the Custody account in April 2022, it was prohibited from doing so in several states. In these states, customers' assets are instead held in what the Debtor has labeled as a "Withhold" account. The sole function of the Withhold account is to serve as a temporary holding place for assets that the customer has withdrawn from an Earn account during the process of transferring such assets off of the Debtor's platform altogether. Assets in a Withhold account do not earn interest and do not fit into the Earn account category; rather, they are similar to Custody accounts, but with even more limited function.

I respectfully request that the court: (a) cause the Debtor to clarify whether Withhold accounts are included in the 4% Custody account figure cited by the Debtor, and if they are not, then (b) determine whether Withhold accounts should receive the same treatment as Custody accounts during this process.

Respectfully submitted.